



**HOUSING AUTHORITY
of the County of Los Angeles**

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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

July 5, 2005

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**APPROVE AGREEMENT FOR THE PURCHASE OF INTERIOR PAINT FOR
MAINTENANCE OF HOUSING AUTHORITY PROPERTIES (ALL DISTRICTS)
(3 Vote)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Executive Director of the Housing Authority to execute an Agreement for the Purchase of Interior Paint, and all related documents, with the Pervo Paint Company, in an amount not to exceed \$222,180, for the purchase of approximately 15,000 gallons of interior paint, to be requisitioned on an as needed basis over a three-year period, to maintain 73 housing developments located throughout Los Angeles County.
2. Authorize the Executive Director to use a total of \$40,024 in Conventional Public Housing Program funds and \$34,036 in Capital Fund Program funds, both allocated by the U.S. Department of Housing and Urban Development (HUD), for the first year of the Agreement, and \$74,060 each for the second and third years of the Agreement, using funds to be approved through the annual budget process.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to purchase quality paint at a guaranteed price over a three-year period. The paint will be requisitioned, on an as needed basis, for routine property maintenance and to prepare vacated housing units for occupancy.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The three-year Agreement will be funded with a total aggregate amount of \$222,180. The first year of the Agreement, in the amount of \$74,060, will be funded with \$40,024 in Conventional Public Housing Program funds and \$34,036 in Capital Fund Program funds, both allocated by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2005-2006 budget. The second and third years of the Agreement will each be funded with \$74,060, using funds to be approved through the annual budget process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Housing Authority manages approximately 3,700 units of senior and family housing at 73 sites throughout the County. The Housing Authority wishes to purchase 15,000 gallons of paint that can be requisitioned as needed to maintain the interiors of vacated units and to complete five-year cyclical painting of occupied units. Reserving a paint supply in advance will guarantee the price for three years, thereby protecting the Housing Authority from price increases.

Should Pervo Paint Company require additional or replacement personnel during the term of the Agreement, it will give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program and General Relief Opportunity for Work (GROW) Program who meet the minimum qualifications for the open positions. Pervo Paint Company will contact the County's GAIN/GROW Division for a list of participants by job category.

The Agreement has been approved as to form by County Counsel and executed by Pervo Paint Company. On June 22, 2005, the Housing Commission recommended approval of the Agreement.

ENVIRONMENTAL DOCUMENTATION

Pursuant to 24 Code of Federal Regulations Part 58, Section 58.35 (b)(3), this action is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not alter existing environmental conditions. The action is not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS:

During the week of January 6, 2005, the Housing Authority initiated an outreach to identify a vendor to provide the interior paint for the subject properties. Invitations for bids (IFB's) were mailed to 62 firms identified from the Housing Authority's vendor list. Advertisements also appeared in eight newspapers and on the County's WebVen website. Eleven bid packages were requested and distributed.

On January 31, seven bids were received and formally opened. Two bids did not meet the minimum bid document requirements and were considered to be non-responsive. The Housing Authority's maintenance staff and three outside painting contractors evaluated the interior paint samples submitted by the remaining five vendors, based on blind sample testing. Four samples did not satisfactorily meet the IFB paint specifications and the test results were poor. The results were subsequently shared with the vendors, two of which requested a retest. Retesting of the samples did not alter the original test results.

The lowest responsive bid, submitted by Pervo Paint Company, is being recommended for the Agreement award.

The Summary of Outreach Activities is provided as Attachment A.

IMPACT ON CURRENT PROJECT:

The purchase of the interior paint will ensure high quality paint at a reasonable cost to the Housing Authority over the next three years, in order maintain the Housing Authority's units in good condition.

Respectfully submitted,


for CARLOS JACKSON
Executive Director

CJ:dls

Attachments: 2

ATTACHMENT A

Summary of Outreach Activities

PURCHASE OF INTERIOR PAINT

During the week of January 6, 2005, the following outreach was initiated to identify paint manufacturing companies to provide interior paint for all Housing Authority housing developments located in Los Angeles County.

A. Newspaper Advertising

Announcements appeared in the following eight local newspapers:

The Daily News	Long Beach Press Telegram
Eastside Sun	Los Angeles Sentinel
International Daily News	Los Angeles Times
La Opinion	Wave Publications Group

An announcement was also posted on the County's WebVen website.

B. Distribution of Bid Packages

The Housing Authority's vendor list was used to mail out the Request for Bids to 62 paint supply companies. Forty-seven firms identified themselves as firms owned by minorities or women (private firms that are 51 percent owned by minorities or women, or publicly owned businesses, in which 51 percent of the stock is held by minorities or women). As a result of the outreach, 11 bid packages were requested and distributed.

C. Bid Results

On January 31, 2005, seven bids were publicly opened. Two bids did not meet the minimum bid document requirements. The results for the remaining five bids were as follows:

<u>Vendors</u>	<u>Bid Amount For 5 Gallons of Paint</u>
Smith Paint & Supply, Inc.	\$43.40
Vista Paint Corporation	\$47.24
Scotch Paint Corporation	\$60.00
ICI Paints	\$70.00
Pervo Paint Company	\$74.06

The paint supplied by the four lowest bidders, Smith Paint & Supply, Inc., Vista Paint Corporation, Scotch Paint Corporation, and ICI Paints did not meet the IFB specification performance requirements, based on blind testing. These results were shared with the vendors, two of which requested a retest. Retesting of the samples did not alter the original test results.

The paint supplied by the fifth low bidder, Pervo Paint Company, did meet the IFB specification performance requirements and is therefore being recommended for award of this agreement.

D. Minority/Women Participation – Selected Firm

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Pervo Paint Company	Non-minority	Total: 43 25 Minorities 6 Women 58% Minorities 14% Women

E. Minority/Women Participation – Firms Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
ICI Paints	Non-Minority	Total: 489 226 Minorities 36 Women 46% Minorities 7% Women
Scotch Paint Corporation	Non-minority	Total: 14 8 Minorities 2 Women 57% Minorities 14% Women
Smith Paint & Supply, Inc.	Non-minority	Declined to provide Information
Vista Paint Corporation	Non-minority	Total: 510 232 Minorities 98 Women 45% Minorities 19% Women

The Housing Authority conducts ongoing outreach to include minorities and women in the Agreement award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of Agreement is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

AGREEMENT FOR THE PURCHASE OF PAINT

This Agreement is made and entered into this _____ day of July 2005 by and between the Housing Authority of the County of Los Angeles, hereinafter referred to as "Housing Authority", and Pervo Paint Company, hereinafter referred to as "Contractor."

RECITAL

1. PURPOSE

Contractor is in the business of manufacturing and selling acrylic semi-gloss paint. On January 31, 2005 in response to the Housing Authority's Invitation for Bids. Contractor submitted a bid to furnish the hereinafter-described paint to the Housing Authority.

TERM AND CONDITIONS

2. TERM

This Contract shall commence as of the day and year first above written and shall remain in full force and effect until July ____, 2008, unless sooner terminated as provided herein.

A performance review will be conducted no later than 90 days prior to the end of the first year and, if necessary, the second year of the Contract to evaluate the performance of the Contractor. Based on the assessment of the performance review, written notification will be given to the Contractor whether the Contract will be terminated at the end of the current year or will be continued into the next contract year for a maximum of three years.

3. CONTRACTOR'S RESPONSIBILITIES

Contractor agrees to sell, warehouse and deliver acrylic semi-gloss paint on an as needed basis to the satisfaction of the Housing Authority's Executive Director, as described in the Contractor's Bid, and Invitation for Bids, which includes the Specifications for Paint. All paint furnished shall comply in all particulars with the Specifications for Paint. The Invitation for Bids, Specifications for Paint, and the Contractor's Bid including submittal Exhibits and insurance certifications and Bid/Contract Notices are incorporated herein by reference as though fully set forth herein. Contractor hereby accepts such responsibility as described herein, and agrees to acquire and present all relevant state and local insurance required by this Contract.

4. COMPENSATION

Contractor will submit to the Housing Authority an invoice on a form approved by the Housing Authority for paint purchased on an as needed basis. Upon receipt and approval, the Housing Authority will pay the Contractor within thirty (30) days of receipt of the invoice. Payments will be made only for paint that has been purchased and received in good condition. Paint will be billed according to the Pricing Schedule, Attachment "A". It is expected that the Housing Authority will purchase approximately 15,000 gallons of paint in the maximum three-year term in an amount not to exceed \$222,180.00

Contractor shall have no claim against the Housing Authority for payment of any money or reimbursement, of any kind whatsoever, after the expiration or other termination of this Agreement. Should Contractor receive any such payment, it shall immediately notify the Housing Authority and shall immediately repay all such funds to the Housing Authority. Payment by the Housing Authority for paint ordered and received after expiration or termination of this Agreement shall not constitute a waiver of the Housing Authority's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.

5. SOURCES AND APPROPRIATION OF FUNDS

The Housing Authority's obligation is payable only and solely from funds appropriated through the U.S. Department of Housing and Urban Development (HUD) and, for the purpose of this Agreement. All funds are appropriated every fiscal year beginning July 1.

In the event this Agreement extends into succeeding fiscal years and funds have not been appropriated, this Agreement will automatically terminate as of June 30 of the current fiscal year. The Housing Authority will endeavor to notify the Contractor in writing within ten (10) days of receipt of non-appropriation notice.

6. TERMINATION FOR IMPROPER CONSIDERATION

The Housing Authority may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Agreement, if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing this Agreement or securing favorable treatment with respect to the award, amendment or extension of this Agreement or the making of any determinations with respect to the Contractor's performance pursuant to this Agreement. In the event of such termination, the Housing Authority shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

The Contractor shall immediately report any attempt by a Housing Authority officer or employee to solicit such improper consideration. The report shall be made either to the Housing Authority's Executive Director or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

7. SUCCESSOR AND ASSIGNMENT

This Agreement may not be assigned by the Contractor except with prior written consent of the Executive Director of the Housing Authority, or his designee. However, the Housing Authority reserves the right to assign this Agreement to another public agency without the consent of the Contractor.

8. CONFIDENTIALITY OF REPORTS

The Contractor shall keep confidential all reports, information and data received, prepared or assembled pursuant to performance hereunder. Such information shall not be made available to any person, firm, corporation or entity without the prior written consent of the Housing Authority.

9. SUBCONTRACTING

The Contractor shall not subcontract any part of the work covered by this Agreement or permit subcontracted work to be further subcontracted without prior written approval by the Housing Authority.

10. INSURANCE

Contractor shall procure and maintain at Contractor's expense for the duration of this Agreement the following insurance against claims for injuries to persons or damage to property, which may arise from or in connection with the performance of the work by the Contractor, its agents, representatives, employees or subcontractors.

A. GENERAL LIABILITY INSURANCE (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000

The Community Development Commission of the County of Los Angeles ("Commission"), the Housing Authority of the County of Los Angeles ("Housing Authority"), the County of Los Angeles ("County"), and their officials and employees, shall be covered as insureds with respect to: liability arising out of

activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, leased or used by the Contractor.

- B. AUTOMOBILE LIABILITY INSURANCE (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each incident. Such insurance shall include coverage of all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".
- C. WORKERS' COMPENSATION and EMPLOYER'S LIABILITY insurance providing workers' compensation benefits, as required by the Labor Code of the State of California.

In all cases, the above insurance also shall include Employer's Liability coverage with limits of not less than the following:

Each Accident	\$1,000,000
Disease-policy limit	\$1,000,000
Disease-each employee	\$1,000,000

Any self-insurance program and self-insured retention must be separately approved by the Housing Authority.

Each insurance policy shall be endorsed to state that coverage shall not be canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to the Housing Authority.

Acceptable insurance coverage shall be placed with carriers admitted to write insurance in California or carriers with a rating of or equivalent to A: VIII by A.M. Best & Company. Any deviation from this rule shall require specific approval in writing by the Housing Authority.

All coverage for subcontractors shall be subject to the requirements stated herein and shall be maintained at no expense to the Housing Authority.

Contractor shall furnish the Housing Authority with certificates of insurance and with original endorsements affecting coverage as required above. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

Failure on the part of the Contractor to procure or maintain insurance required by this Agreement shall constitute a material breach of contract upon which the Housing Authority may immediately terminate this Agreement.

11. INDEMNIFICATION

Contractor shall indemnify, defend and hold harmless the Commission, the Housing Authority, the County and their elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement.

12. HOUSING AUTHORITY'S QUALITY ASSURANCE PLAN

The Housing Authority will evaluate Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all contract terms and performance standards. Contractor deficiencies, which Housing Authority determines are severe or continuing and that may place performance of the Agreement in jeopardy, if not corrected, will be reported to the Board of Commissioners. The report will include improvement/corrective action measures taken by the Housing Authority and Contractor. If improvement does not occur consistent with the corrective measure, the Housing Authority may terminate this Agreement, pursuant to Paragraph 13 or 14, or impose other remedies as specified in this Agreement.

13. TERMINATION FOR CONVENIENCE

The Housing Authority reserves the right to cancel this Agreement for any reason at all upon thirty (30) days prior written notice to Contractor. In the event of such termination, Contractor shall be entitled to a prorated portion paid for all satisfactory work unless such termination is made for cause, in which event, compensation if any, shall be adjusted in such termination.

14. TERMINATION FOR CAUSE

This Agreement may be terminated by the Housing Authority upon written notice to the Contractor for just cause (failure to perform satisfactorily) with no penalties incurred by the Housing Authority upon termination or upon the occurrence of any of the following events in A, B, C or D:

- A. Should the Contractor fail to perform all or any portion of the work required to be performed hereunder in a timely and good workmanlike manner or properly carry out the provisions of this Agreement in their true intent and meaning, then in such case, notice thereof in writing will be served upon the Contractor, and should the Contractor neglect or refuse to provide a means for satisfactory compliance with this Agreement and with the direction of the Housing Authority within the time specified in such notice, the Housing Authority shall have the power to suspend or terminate the operations of the Contractor in whole or in part.

- B. Should the Contractor fail within five (5) days to perform in a satisfactory manner, in accordance with the provisions of this Agreement, or if the work to be done under this Agreement is abandoned for more than three days by the Contractor, then notice of deficiency thereof in writing will be served upon Contractor by the Housing Authority. Should the Contractor fail to comply with the terms of this Agreement within five (5) days, upon receipt of said written notice of deficiency, the Executive Director of Housing Authority shall have the power to suspend or terminate the operations of the Contractor in whole or in part.
- C. In the event that a petition of bankruptcy shall be filed by or against the Contractor.
- D. If, through any cause, the Contractor shall fail to fulfill, in a timely and proper manner, the obligations under this Agreement, or if the Contractor shall violate any of the covenants, agreements, or stipulations of this Agreement, the Housing Authority shall thereupon have the right to terminate this Agreement by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Contractor under this Agreement shall, at the option of the Housing Authority become its property and the Contractor shall be entitled to receive just and equitable compensation for any work satisfactorily completed.

15. CONTRACTOR'S WARRANTY OF ADHERENCE TO HOUSING AUTHORITY'S CHILD SUPPORT COMPLIANCE PROGRAM

Contractor acknowledges that the Housing Authority has established a goal of ensuring that all individuals who benefit financially from the Housing Authority through a contract, are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the taxpayers of the County of Los Angeles.

As required by Housing Authority's Child Support Compliance Program and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall, during the term of this Agreement, maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or CSSD Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

16. TERMINATION FOR BREACH OF WARRANTY TO COMPLY WITH HOUSING AUTHORITY'S COMPLIANCE PROGRAM

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 15, "*CONTRACTOR'S WARRANTY OF ADHERENCE TO HOUSING AUTHORITY'S CHILD SUPPORT COMPLIANCE PROGRAM*" shall constitute default under this contract. Without limiting the rights and remedies available to Housing Authority under any other provision of this contract, failure of Contractor to cure such default within 90 calendar days of written notice shall be grounds upon which Housing Authority may terminate this contract pursuant to Paragraph 14 - "TERMINATION FOR CAUSE" and pursue debarment of Contractor, pursuant to Housing Authority Policy.

17. POST MOST WANTED DELINQUENT PARENTS LIST

Contractor acknowledges that the County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that it is County's and Housing Authority's policy to strongly encourage all Contractors to voluntarily post an entitled "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at Contractor's place of business. The Los Angeles County Child Support Services Department will supply Contractor with the poster to be used.

18. INDEPENDENT CONTRACTOR

This Agreement does not, is not intended to, nor shall it be construed to create the relationship of agent, employee or joint venture between the Housing Authority and the Contractor.

19. EMPLOYEES OF CONTRACTOR

Workers' Compensation: Contractor understands and agrees that all persons furnishing services to the Housing Authority pursuant to this Agreement are, for the purposes of Workers' Compensation liability, employees solely of the Contractor. Contractor shall bear sole responsibility and liability for providing Workers' Compensation benefits to any person for injuries arising from an accident connected with services provided to the Housing Authority under this Agreement.

Professional Conduct: The Housing Authority does not and will not condone any acts, gestures, comments or conduct from the Contractor's employees, agents or subcontractors which may be construed as sexual harassment or any other type of activities or behavior that might be construed as harassment. The Housing Authority will properly investigate all charges of harassment by residents, employees or agents of the Housing Authority against any and all Contractor's employees, agents or subcontractors providing services for the Housing Authority. The Contractor assumes all liability for the actions of the Contractor's employees, agents or subcontractors and

is responsible for taking appropriate action after reports of harassment are received by the Contractor.

20. DRUG-FREE WORKPLACE ACT OF THE STATE OF CALIFORNIA

Contractor certifies under penalty of perjury under the laws of the State of California that the Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990.

21. SAFETY STANDARDS AND ACCIDENT PREVENTION

The Contractor shall comply with all applicable federal, state and local laws governing safety, health and sanitation. The Contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions, as its own responsibility, reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of this Agreement.

22. COMPLIANCE WITH LAWS

The Contractor agrees to be bound by all applicable federal, state and local laws, regulations, and directives as they pertain to the performance of this Agreement, including but not limited to, the Housing and Community Development Act of 1974, as amended by the Cranston-Gonzalez National Affordable Housing Act, 1990, and the 24 CFR Part 85, and the Americans with Disabilities Act of 1990. If the compensation under this Agreement is in excess of \$100,000 then Contractor shall comply with applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 18579h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR part 15).

The Contractor must obtain and present all relevant state and local insurance, training and licensing pursuant to services required within this Agreement.

Contractor shall comply with the following laws in Sections 23-32, inclusive, and 41 and 42.

23. CIVIL RIGHTS ACT OF 1964, TITLE VI (NON-DISCRIMINATION IN FEDERALLY-ASSISTED PROGRAMS)

Contractor shall comply with the Civil Rights Act of 1964 Title VI which provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

24. SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

Contractor shall comply with Section 109 of the Housing and Community Development Act of 1974 which states that no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

25. AGE DISCRIMINATION ACT OF 1975 AND SECTION 504 OF THE REHABILITATION ACT OF 1973

Contractor shall comply with the Age Discrimination Act of 1975 and section 504 of the Rehabilitation Act of 1973, which require that no person in the United States shall be excluded from participating in, denied the benefits of, or subject to discrimination under this Agreement on the basis of age or with respect to an otherwise qualified disabled individual.

26. EXECUTIVE ORDER 11246 AND 11375, EQUAL OPPORTUNITY IN EMPLOYMENT (NON-DISCRIMINATION IN EMPLOYMENT BY GOVERNMENT CONTRACTORS AND SUBCONTRACTORS)

Contractor shall comply with Executive Order 11246 and 11375, Equal Opportunity in Employment, which requires that during the performance of this Agreement, the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.

The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The Contractor will send to each labor union or representative of workers with which he has a collective bargaining Agreement or other contract or understanding, a notice to be provided by the agency of the Contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

The Contractor will furnish all information and reports required by the Executive Order and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Housing Authority and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

In the event of Contractor's noncompliance with the non-discrimination clauses of this Agreement or with any of such rules, regulations or orders, this Agreement may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Orders and such other sanctions may be imposed and remedies invoked as provided in the Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

The Contractor will include the provisions of these paragraphs in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of the Executive Order No. 11246 of September 24, 1965, that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such actions with respect to any subcontract or purchase order as the Housing Authority may direct as a means of enforcing such provisions including sanctions for noncompliance, provided however, that in the event the Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by the Housing Authority, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

27. GREATER AVENUES FOR INDEPENDENCE. (GAIN) PROGRAM AND GENERAL RELIEF OPPORTUNITY FOR WORK (GROW) PROGRAM

Should the Contractor require additional or replacement personnel after the effective date of this Agreement, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. The Contractor shall contact the County's GAIN/GROW Division at (626) 927-5354 for a list of GAIN/GROW participants by job category.

28. FEDERAL LOBBYIST REQUIREMENTS

The Contractor is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 CFR Part 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, loan or

cooperative Agreement, and any extension, continuation, renewal, amendment or modification of said documents.

The Contractor must certify in writing on the Federal Lobbyist Requirements Certification form that they are familiar with the Federal Lobbyist Requirements and that all persons and/or subcontractors acting on behalf of the Contractor will comply with the Lobbyist Requirements.

Failure on the part of the Contractor or persons/subcontractors acting on behalf of the Contractor to fully comply with the Federal Lobbyist Requirements may be subject to civil penalties.

29. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

30. USE OF RECYCLED-CONTENT PAPER PRODUCTS

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on the Project.

31. COMPLIANCE WITH JURY SERVICE PROGRAM

- A. It is the Authority's policy that unless Contractor has demonstrated to the Authority's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program or that Contractor qualifies for an exception to the Jury Service Program, Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
- B. For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the Authority or a subcontract with an Authority contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more Authority contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has

a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the Authority under the Contract, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

- C. If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify Authority if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The Authority may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate to the Authority's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.
- D. Contractor's violation of this Section of the contract may constitute a material breach of the Contract. In the event of such material breach, Authority may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future Authority contracts for a period of time consistent with the seriousness of the breach.

32. CONTRACTOR RESPONSIBILITY AND DEBARMENT

- a. A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the policy of the Authority to conduct business only with responsible contractors.
- b. The Contractor is hereby notified that, if the Authority acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the Authority may, in addition to other remedies provided in the contract, debar the Contractor from bidding on Authority contracts for a specified period of time not to exceed 3 years, and terminate any or all existing contracts the Contractor may have with the Authority.
- c. The Housing Authority may debar a contractor if the Board of Commissioners finds, in its discretion, that the contractor has done any of the following: (1) violated any term of a contract with the Authority, (2)

committed any act or omission which negatively reflects on the contractor's quality, fitness or capacity to perform a contract with the County, the Commission or the Housing Authority or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County, the Commission or the Housing Authority or any other public entity.

- d. If there is evidence that the Contractor may be subject to debarment, the Housing Authority will notify the Contractor in writing of the evidence, which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- e. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. If the Contractor fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, the Contractor may be deemed to have waived all rights of appeal.
- f. A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

33. ACCESS AND RETENTION OF RECORDS

Contractor shall provide access to the Housing Authority, the Federal Grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers and records of the Contractor which are directly pertinent to this Agreement for the purpose of making audits, examinations, excerpts and transcriptions.

The Contractor is required to retain the aforementioned records for a period of five years after the Housing Authority pays final payment and other pending matters are closed under this Agreement.

34. CONFLICT OF INTEREST

The Contractor represents, warrants and agrees that to the best of its knowledge, it does not presently have, nor will it acquire during the term of this Agreement, any interest direct or indirect, by contract, employment or otherwise, or as a partner, joint venture or shareholder (other than as a shareholder holding a one (1%) percent or less interest in publicly traded companies) or affiliate with any business or business entity that has entered into any contract, subcontract or arrangement with the Housing Authority. Upon execution of this Agreement and during its term, as appropriate, the Contractor shall, disclose in writing to the Housing Authority any other contract or employment during the term of this Agreement by any other persons, business or corporation in which employment will or may likely develop a conflict of interest between the Housing Authority's interest and the interests of the third parties.

35. SEVERABILITY

In the event that any provision herein contained is held to be invalid, void, or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

36. INTERPRETATION

No provision of this Agreement is to be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Agreement is to be construed as if drafted by both parties hereto.

37. WAIVER

No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall not be deemed to be a waiver of any breach of the same or any other provision hereof.

38. PATENT RIGHTS

The Housing Authority will hold all the patent rights with respect to any discovery or invention, which arises or is developed in the course of, or under this Agreement.

39. COPYRIGHT

No report, maps, or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of the Contractor. All such documents become the property of the Housing Authority and the Housing Authority holds all the rights to said data.

40. NOTICES

Housing Authority shall provide Contractor with notice of any injury or damage arising from or connected with services rendered pursuant to this Agreement to the extent that Housing Authority has actual knowledge of such injury or damage. Housing Authority shall provide such notice within ten (10) days of receiving actual knowledge of such injury or damage.

Notices provided for in this Agreement shall be in writing and shall be addressed to the person intended to receive the same, at the following address:

The Housing Authority: Housing Authority of the County of Los Angeles
 2 Coral Circle
 Monterey Park, California 91755
 Attn: Maria Badrakhn, Director
 Housing Management Division

The Contractor: Pervo Paint Company
 6624 Stanford Avenue
 Los Angeles, CA 90001-1549
 Attn: Brad De Ruiter
 President

Notices addressed as above provided shall be deemed delivered three (3) business days after mailed by U.S. Mail or when delivered in person with written acknowledgement of the receipt thereof. The Contractor and the Housing Authority may designate a different address or addresses for notices to be sent by giving written notice of such change of address to all other parties entitled to receive notice.

41. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is available on the Internet at www.babysafela.org for printing purposes.

42. CONTRACTOR'S ACKNOWLEDGMENT OF HOUSING AUTHORITY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

The Contractor acknowledges that the Housing Authority places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the Housing Authority's policy to encourage all Housing Authority Contractors to voluntarily post the Housing Authority's "Safely Surrendered

Baby Law” poster in a prominent position at the Contractor’s place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor’s place of business. The Department of Children and Family Services of the County of Los Angeles will supply the Contractor with the poster to be used.

43. INTENTIONALLY LEFT BLANK

[illegible]

44. **ENTIRE AGREEMENT**

This Agreement with Attachments constitutes the entire understanding and agreement of the parties. This Agreement includes the following attachment:

Attachment A: Pricing Schedule – January 2005

45. **WARRANT OF AUTHORITY**

The undersigned for the Contractor warrants and represents that he has full authority to sign this Contract on behalf of the Contractor, and to bind the Contractor.

SIGNATURES

IN WITNESS WHEREOF, the Vendor and the Housing Authority have executed this Agreement through their duly authorized officers this _____ day of _____ 2005.

HOUSING AUTHORITY
OF THE COUNTY OF LOS ANGELES

PERVO PAINT COMPANY

By _____

Carlos Jackson
Executive Director

By _____

Brad De Ruiter
President

APPROVED AS TO FORM:
RAYMOND G. FORTNER, JR.
County Counsel

By _____

Grace Chang
Deputy

APPROVED AS TO PROGRAM:
HOUSING MANAGEMENT DIVISION

By _____

Maria Badrakhan
Director

ATTACHMENT "A"

PRICING SCHEDULE

The Housing Authority uses an estimated 15,000 gallons of interior paint on an annual basis, divided into five-gallon containers. The Authority uses two shades of white interior paint.

Description	5-gallon size
100% Acrylic Semi-Gloss Interior Paint, per specifications.	\$ <u>74.06</u> Per five gallons

"Minimum order size" 500 gallons.

Average mileage cost to deliver the paint \$ 0 per mile.

Turnaround time from time of order to pick-up/delivery time four (4) working days

Extra Charge to Warehouse paint \$ 0.00 per 0. (Day-Week, etc.)

Location of Distribution Center 6624 Stanford Avenue, Los Angeles, CA 90001